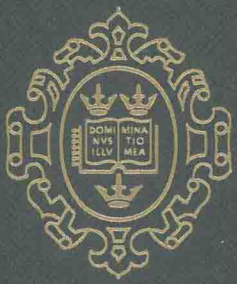
TRANSNATIONAL SECURITIES LAW

EDITED BY

THOMAS KEIJSER



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FOREWORD

One notable innovation that has occurred in the world's capital markets in recent decades is the immobilization or dematerialization of investment securities. This development was made possible by technology. Nowadays, shares and bonds are no longer traded by moving certificates. Rather, they are held through intermediaries, typically banks and similar financial institutions, and those intermediaries manage book-entries by which 'intermediated securities' are held, traded, and collateralized.

Today, immobilization or dematerialization may be observed in almost all jurisdictions around the world. It helps to ensure the safety of transactions and to enable large volumes to be traded at less cost than where certificates move around. The phenomenon, in other words, is a simple one. Yet that simplicity does not mean that the legal and regulatory issues involved are simple as well. In fact, the legal and regulatory landscape is quite complex and varies from jurisdiction to jurisdiction. The doctrines of property law in this area vary even among common law jurisdictions and among civil law jurisdictions, as well.

Capital markets today are global. That is not to say there is only one, globe-spanning, single market. On the contrary, many markets coexist in a multi-layered fashion, ranging from local domestic markets to international wholesale markets. These multiple markets interact with one another. Moreover, financial transactions take place, and financial institutions act, across national borders in these multi-layered markets. In such a scenario, a risk that arises in one market is easily transmitted to another market, but from a legal and regulatory standpoint, controlling these multi-layered capital markets is anything but easy.

The international community has, over the past decades, come to recognize the legal risk associated with the intermediated holding of investment securities, and the global financial crisis that developed in 2007–2009 served as a potent reminder of the magnitude of that risk. The Hague Securities Convention and UNIDROIT's Geneva Securities Convention are tangible evidence of the attempts made by the international community to find ways of tackling the issue together. When I served as a member of the drafting committee at the diplomatic Conference and co-reporter on the Hague Securities Convention and as chairman of the drafting committee at the diplomatic Conference and co-author of the Official Commentary on the Geneva Securities Convention, I realized that these Conventions were the product of teamwork, of hard work by renowned experts from the participating jurisdictions who brought together their considerable expertise.

This book, also, is the product of teamwork. Thomas Keijser did a superb job coordinating the work of the first-class authors of the chapters that make up the volume, many of whom participated, in an official or other capacity, in the preparation of either or both the Hague and Geneva Securities Conventions. Together, they have produced a comprehensive and reliable reference for all those who practise, study, or are otherwise interested in the complex legal and regulatory issues connected with intermediated securities in the world's capital markets today.

Hideki Kanda
Professor of Law
University of Tokyo
October 2013

PREFACE

Intermediated securities are a phenomenon at the juncture, not only of national boundaries due to a considerable increase in cross-border transactions, but also of a variety of legal and operational issues. At a time when securities were still primarily held and traded in the form of certificates, markets were largely national and traditional legal concepts could be applied to these tangible assets. This has changed dramatically due to the development over the past decades of the intermediated system and the immobilization or dematerialization of securities, which went hand in hand with a steep increase in the volume of government and corporate securities held and traded in globalized markets.

From a legal point of view, which is also the perspective of this book, the new, multifaceted phenomenon of intermediated securities required novel approaches in the fields of contractual, property, corporate, insolvency, regulatory, and international private law. Each jurisdiction came up with its own solutions, leading to a variety of holding systems based on different legal approaches. It should also be borne in mind that the legal environment is closely related to issues of taxation, accounting, and the technological and operational set-up of each intermediated system. Developing a comprehensive legal framework able to operate both domestically and in the context of the transnational holding and transfer of securities therefore remains a challenge.

The importance of such a framework is, however, paramount. The intertwined cash and securities markets are at the core of the global financial system and, as the recent financial crisis has made clear, of the socio-economic structure of many States. To name but a few applications of securities, they are a principal means of funding for governments and corporate entities, one of the foundations on which central banks base their monetary policy operations, and they are frequently used as collateral in the context of commercial banking and investment activities.

It was against this background that the Hague Conference on Private International Law embarked on a project back in 2000 to identify the most appropriate conflict of laws approach in relation to intermediated securities, a project that resulted in the adoption of the Hague Securities Convention (HSC) in 2002.[1] By then, the UNIDROIT Governing Council had already given the green light to start work on

[1] For an in-depth, article-by-article analysis of the HSC, see Goode et al., *Explanatory Report*.

the harmonization of substantive law issues, which culminated in the 2009 Geneva Securities Convention (GSC). The GSC covers a wide array of issues, spanning various aspects of holding, transfer, and collateralization of intermediated securities, as well as the integrity of the intermediated system.[2] The two Conventions, even though they have not yet formally entered into force, serve as authoritative benchmarks, indicating best practice solutions and providing guidance to States that are developing the infrastructure for intermediated securities.[3]

Together with Rachel Mullaly at Oxford University Press, we realized that there is no textbook that analyses these two interrelated Conventions in their broader context. In addition to documenting the accomplishments of the two Conventions, the volume also gives ample attention to issues not addressed by either, including corporate, regulatory, and certain insolvency law matters.[4] In considering the issues at stake, the focus is first and foremost on international and regional instruments. These include the UNCITRAL legislative guides on secured transactions and insolvency, the recent UNIDROIT project on close-out netting, and regulatory initiatives of the BCBS, CPSS, FSB, and IOSCO. US law and European legislation also feature recurrently. The legal and operational set-up in individual States is referred to particularly where it promotes the identification of best practice standards or policy developments at the transnational level.

Teamwork is the keyword that characterizes the process that led to this book. All chapters were circulated among the contributors for comments, and there were frequent exchanges of information, views, and expertise between individuals and groups of contributors. The contributors to Chapters 6 and 7 worked particularly closely together. The team also included Hideki Kanda, who took time to review several chapters and to whom I owe thanks for what invariably were inspiring talks; Ed Murray and Peter Werner, who gave expert advice in relation to Chapter 2 on financial collateral; Corjo Jansen, who, as Chairman of the Business and Law Research Centre of the Radboud University Nijmegen, gave this project his full support; Patricia de Seume and Ian Priestnall, for carrying out the English language edit; and the people at Oxford University Press, all of whom did an excellent job throughout.

In Chapter 1, Michel Deschamps examines what the rules for non-intermediated securities should be. Certificates continue to play a role in several sectors of the economy. Deschamps identifies the *lex ferenda* in relation to issues such as the

[2] For an in-depth, article-by-article analysis of the GSC, see Kanda et al., *Official Commentary*.

[3] See Mooney, 'Geneva Securities Convention'; Bernasconi and Keijser, 'The Hague and Geneva Securities Conventions'.

[4] For a comprehensive overview of the 'gaps' in the GSC, see UNIDROIT 2010–S78B/CEM/1/Doc. 3 (August 2010), which document was later split into UNIDROIT 2011–S78B/CEM/2/Doc. 2 (November 2011; 'Accession Kit') and UNIDROIT 2012–DC11/DEP/Doc. 1 rev. (April 2012; Declaration Memorandum).

validity and effectiveness of transfers, priority, and conflict of laws. Where relevant, he attunes the rules proposed for non-intermediated securities to those set out in the GSC and HSC for intermediated securities and to the principles underlying UNCITRAL's work on secured transactions, which, although it does not of itself relate to securities, nonetheless provides ample inspiration for interesting parallels. Several of the themes discussed in this chapter are examined in relation to intermediated securities in later chapters, such as transfer-related issues in Chapters 2–5 and conflict of laws rules in Chapter 10.

Chapter 2, by Guy Morton, Marcel Peeters, and myself, deals with financial collateral, a phenomenon that has become *the* lubricant for financial markets over the past decades. Until recently, the focus was on private law reform in order to facilitate the provision (whether by transfer or by vesting a security interest) and enforcement of financial collateral. The financial crisis has led to a notable shift to regulatory law reform that aims at addressing risks related to collateralization, including the provision of too little or too much collateral.

Marcel Peeters elaborates on the issue of enforcement of financial collateral arrangements in Chapter 3 on close-out netting, with a critical assessment of the recently adopted UNIDROIT Principles on the Operation of Close-out Netting Provisions against the background of the recent financial crisis. He concludes that these principles may have come too early since the debate on the pros and cons of the special treatment of close-out netting, including its systemic impact, has only just taken off.

In Chapter 4, Spyridon Bazinas elaborates on various transfer-related aspects discussed in the preceding chapters, in particular the creation and third-party effectiveness of interests, the priority of competing interests, and enforcement. He does so by comparing the GSC, the United Nations Convention on the Assignment of Receivables in International Trade, and the UNCITRAL instruments on secured transactions and insolvency.

The last transfer-related chapter is Chapter 5, in which Eva Micheler examines the crucial issue of legal certainty through the prism of the transfer of securities and the post-trade environment of clearing and settlement. She argues that the intermediated system has become unnecessarily complex, with too many intermediaries and other participants in the holding chain.[5] The potentially large numbers of links in the chain may be governed by different rules that need to be reconciled at a very detailed level. Micheler argues that the functional, broad-brush approach adopted by the GSC merely adds another layer of complexity and hence does not contribute to legal certainty. The only feasible solution is infrastructure reform leading to a simpler and more transparent system with fewer intermediaries.

[5] This argument echoes Clark's illuminating analysis of the development of an ever more complex, specialized capitalist system, of which financial intermediaries form part. See Clark, 'Four Stages of Capitalism'.

This plea for structural reform is echoed in Chapter 6, in which Nora Rachman and Maria Vermaas examine the processing of corporate actions. This is a key issue, as income payments, voting rights, and the distribution of information are essential to investors. Rachman and Vermaas show that the introduction of the intermediated system has given rise to a chain that may involve a considerable number of intermediaries and other players, which often complicates the processing of corporate actions between the issuer, at one end of the chain, and the investor, at the other end. Like Micheler, Rachman and Vermaas therefore favour a more transparent system, in particular by making optimum use of current technological possibilities.

Another set of related issues that determines the integrity of the intermediated system is the intermediary's obligation to hold or have available sufficient securities for its account holders, the prevention of imbalances, the proper allocation of securities (notably by way of segregation), and the way losses are dealt with in the event of insolvency. In Chapter 7, Guillermo Caballero, Erica Johansson, Maria Vermaas, and the undersigned show that a variety of market practices in respect of these issues exists in different jurisdictions, and argue that further standardization is desirable.

Insolvency is the acid test of the various aspects of holding, transfer, and integrity discussed in the preceding chapters. In Chapter 8, Charles Mooney Jr. and Guy Morton examine how the insolvency law for intermediated securities law could be harmonized further. In particular, their analysis of the Lehman insolvency in the US and the UK inspires them to reconsider pre-crisis insolvency law and practice, and to identify the best way forward in relation to a range of issues, including advance planning and the treatment of client assets.

The current, post-crisis market infrastructure is characterized by much more stringent regulation, supervision, and oversight in order to guarantee the stability of the financial system. In Chapter 9, Klaus Löber elaborates on this key development, which affects most of the topics discussed in earlier chapters, including financial collateral, close-out netting, the treatment of client assets, and insolvency.

Chapter 10 concludes with an analysis of the conflict of laws rules for intermediated securities, the subject matter which sparked the global harmonization process. One of the reasons why the HSC has not yet entered into force is the ongoing debate on this topic in the European Union. Francisco Garcimartín and Florence Guillaume examine the issues at stake and look 'beyond' by proposing ways of breaking the current deadlock.

It is not easy to determine the features of future developments with any clarity. Besides the variety of holding systems and legal and operational approaches in different jurisdictions, an issue that clouds the outlook is the limited results of harmonization efforts on the substantive law front within the European Union.

Another factor that should be taken into account is that it has proved impossible to reach full consensus on hard-law rules on a number of issues in the context of the negotiations leading to the GSC. Nonetheless, the mere argument of the enormous financial interests involved justifies further harmonization efforts internationally. Even minor steps forward are likely to have a major impact.

A common denominator of the message contained in the chapters in this book is that some form of change is needed, whether in the shape of harmonized rules for non-intermediated securities, a reassessment of rules relating to financial collateral and close-out netting, an improved infrastructure for corporate actions, further standardization of practices and rules relating to imbalances, segregation, and loss sharing, as well as the reconsideration of various other insolvency aspects. Several authors believe that these issues should be addressed in a soft-law instrument with a 'menu' approach that allows States a level of flexibility in choosing the approach that best fits their legal system. Other authors argue for a more institutional overhaul of the intermediated system, as it has become too complex and does not sufficiently benefit from the technological means now at our disposal. In all cases, the solutions found should be in tune with experiences garnered during the financial crisis and the new post-crisis reality of regulation.

A clear roadmap is indispensable in order to navigate through national, regional, and international securities markets. It is hoped that the signposts in this book will prove useful to the reader.

Thomas Keijser
November 2013

LIST OF CONTRIBUTORS

Thomas Keijser is Senior Researcher at the Business and Law Research Center of the Radboud University Nijmegen, The Netherlands. From 2007–2012, he was primary responsible for the Geneva Securities Convention as Senior Officer, later Consultant, at UNIDROIT. He was Secretary of the Committee of Governmental Experts and the diplomatic Conference, co-organized and spoke at several international seminars and colloquia on the Geneva Securities Convention, and is one of the initial authors and co-editor of the *Official Commentary* on the Geneva Securities Convention. Keijser is admitted to the Dutch Bar, published widely in the field of financial law, and was visiting faculty at universities in Germany, Greece, Japan, the Russian Federation, and the United States.

Hideki Kanda is Professor of Law at the University of Tokyo. His main areas of specialization include commercial law, corporate law, banking regulation, and securities regulation. Mr Kanda served as Visiting Professor of Law at the University of Chicago Law School in 1989, 1991, and 1993, and Visiting Professor at Harvard Law School in 1996. He is a member of the Financial Council at the Financial Services Agency of Japan. Mr Kanda's recent publications include Reinier Kraakman et al., *The Anatomy of Corporate Law* (Oxford: 2nd edn, Oxford University Press, 2009) and Hideki Kanda et al., *Official Commentary on the UNIDROIT Convention on Substantive Rules for Intermediated Securities* (Oxford: Oxford University Press, 2012). He has also written many articles in English in the areas of commercial law, corporate law, banking regulation, and securities regulation.

Spyridon V. Bazinas is a Senior Legal Officer in the International Trade Law Division of the United Nations Office of Legal Affairs, the Secretariat of the United Nations Commission on International Trade Law (UNCITRAL). He is currently the Secretary of Working Group VI (Security Interests). As Secretary, Bazinas is responsible for preparing comparative law studies, drafting legislative texts and commentaries, and servicing the Working Group. He has co-authored/edited several books and articles in English, French, German, Spanish, and Greek on various international trade law topics and has also lectured all over the world on a variety of UNCITRAL work topics. He has also participated in the preparation of the Geneva and Hague Securities Conventions, advised States, and cooperated with international, governmental, and non-governmental organizations on matters relating to law reform in the area of secured financing law.

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Michel Deschamps is a Partner at the Canadian law firm McCarthy Tétrault LLP and associate professor at the Law Faculty of the University of Montreal, where he teaches banking law. He participates as Canadian delegate in law reform projects in the area of secured transactions sponsored by UNCITRAL and UNIDROIT. Deschamps chairs the editorial board of the Québec Bar law review and the secured transactions committee of the Québec Bar. He is a fellow of the American College of Commercial Finance Lawyers. He also appears in most leading lawyers' guides as one of the leading lawyers in Canada in areas of banking and financial services. In October 2013, he received a doctorate *honoris causa* from the University of Montreal.

Francisco Garcimartín is a Chair Professor of Private International Law at Universidad Autónoma of Madrid. He has published in most of the leading law journals on different aspects of private international law and cross-border transactions. He has represented the Spanish Government in different international organizations, such as UNIDROIT, UNCITRAL, The Hague Conference, and the Counsel of the European Union. He collaborates as consultant for Linklaters SLP.

Florence Guillaume is Dean of the Faculty of Law of the University of Neuchâtel, Switzerland. She has been Ordinary Professor at this Law Faculty since 2006 and is Chairperson of the Department of Civil Law and Private International Law. Her research and publications cover a wide array of topics, including international intermediated securities law, international corporate law, national and international succession law, and trusts. Previously, Guillaume has worked as Scientific Associate at the Private International Law Department of the Swiss Federal Ministry of Justice (2006) and as a lawyer at the Bars of Zurich and Geneva (2000–2006).

Erica Johansson is a Partner in Delphi's Banking and Finance Group in Stockholm. She has extensive experience in advising leading financial institutions on derivatives and structured finance transactions, including advising clients on OTC and futures clearing, securitizations, capital markets transactions, leverage finance, investment funds, restructurings, and regulatory matters. Prior to joining Delphi, she worked at two major international law firms in London. She is a member of the Swedish Bar Association and holds a Master of Laws from Stockholm University

and a PhD from London University. She is a leading expert in the area of intermediated securities and has acted as a legal consultant to the World Bank.

Klaus Löber is Head of Secretariat of the Committee on Payment and Settlement Systems (CPSS) hosted at the Bank for International Settlements in Basel, Switzerland. The CPSS is a standard-setting body for financial market infrastructures. It also serves as a forum for central banks to monitor and analyse developments in domestic payment, clearing, and settlement systems, as well as in cross-border and multicurrency settlement schemes. Previously, Löber was Head of the Oversight Division of the European Central Bank, also acting as Chair of the Working Group on Oversight of the European System of Central Banks (ESCB). Previous work practice also includes the European Commission DG Internal Market, the Deutsche Bundesbank, and private practice. Löber was a founding Secretary of the European Financial Markets Lawyers Group. He is co-editor of various legal journals and has written numerous publications on financial market legal and regulatory issues.

Eva Micheler is a Reader in Law at the London School of Economics (LSE) and Universitätsprofessor at the University of Economics in Vienna where she took Habilitation in 2003. She is also a member of the board of the Institute of Central and East European Business Law in Vienna, and teaches regularly at the University of Vienna, the Wirtschaftsuniversität Wien, and the Buccerius Law School in Hamburg. Before joining LSE, Micheler was also a fellow at the Faculty of Law at the University of Oxford in the context of the EU Training and Mobility of Researchers (TMR) Programme. She has written widely on company and comparative law in both English and German. Her work was cited by the UK Supreme Court in 2010 and by the Austrian Oberster Gerichtshof on numerous occasions. She contributed to Gower and Davies, *Principles of Modern Company Law* (Sweet and Maxwell, 2012) and to *Gore-Browne on Companies* (Jordan Publishing).

Charles W. Mooney, Jr. is a leading legal US scholar in the fields of commercial law and bankruptcy law. He is the Charles A. Heimbold, Jr. Professor of Law at Pennsylvania University School of Law. He served as US Delegate at the diplomatic Conference for the Cape Town Convention on International Interests in Mobile Equipment and the Aircraft Protocol thereto and at the diplomatic Conference for the Geneva Securities Convention, where he was a member of the Drafting Committee. He is co-author and co-editor of the *Official Commentary* on the Geneva Securities Convention. Mooney was honoured for his contributions to the uniform law process by the Oklahoma City School of Law and was awarded the Distinguished Service Award by the American College of Commercial Finance Lawyers.

Guy Morton has been a Partner in Freshfields Bruckhaus Deringer's London office since 1986. He was Senior Partner of the firm from 2006 to 2010 and for many years before that he led the firm's global financial services group. Guy has

served on the European Commission's Forum Group on Collateral and assisted with the preparation of the Financial Collateral Directive; he was a member of the European Commission's Legal Certainty Group on EU clearing and settlement and is a former member of the UK Financial Markets Law Committee. Guy has also represented the United Kingdom in the development of international instruments promoted by the Hague Conference on Private International Law (the Hague Securities Convention) and by UNIDROIT relating to securities (the Geneva Securities Convention) and to close-out netting (the UNIDROIT Principles on the Operation of Close-Out Netting Provisions).

Marcel Peeters is Professor of Derivatives Law at the University of Amsterdam. He is not only a lawyer but also an economist, having received his PhD in economics from Cambridge University in 1984. He held university lectureships in economics before taking his law degree at Leiden University in 1994, when he switched to the legal profession. Initially, he focused on Supreme Court litigation (*cassatie*) at the Dutch law firm Houthoff Buruma. Subsequently, and in particular after his move to NautaDutilh (where he worked until 2012), he specialized in financial law (both private law and regulatory), with an emphasis on derivatives law and capital and liquidity requirements.

Nora Rachman is a Brazilian securities expert. She worked as Regulatory and Chief Legal Officer, later Consultant, of the São Paulo Stock Exchange and the Brazilian Clearing and Central Securities Depository. In this office she was responsible for the relationship with Brazilian regulators and also dealt with legal issues regarding the development of new projects and businesses of the Exchange and the Depository. Rachman has a Bachelor of Law degree with a specialization in corporate law, a Master degree in commercial law and a PhD degree in international relations from the University of São Paulo, Brazil. She is currently a Post-doctoral Fellow at the São Paulo Law School of Fundação Getúlio Vargas, Brazil.

Maria Vermaas obtained academic qualifications in South Africa at the University of Pretoria (BLC, 1981; LLB, 1983) and the University of South Africa (LLM, 1987; LLD, 1995). She earned her doctorate with a thesis entitled *Aspects of the Dematerialisation of Listed Shares in South African Law*. Vermaas currently holds the position of Head of Legal and Regulatory at Strate Ltd, South Africa's Central Securities Depository and serves as an Executive Member of this organization. Maria represented South Africa in the UNIDROIT meetings relating to the Geneva Securities Convention, where she served on various sub-committees and as a Vice-President of the diplomatic Conference that adopted the Convention.

Advisors:

Ed Murray, Partner, Allen & Overy.

Peter Werner, Senior Director, International Swaps and Derivatives Association.

LIST OF ABBREVIATIONS

AH	account holder
AIFMD	Alternative Investment Fund Managers Directive (EU)
BCBS	Basel Committee on Banking Supervision
BID	Banks Insolvency Directive (EU)
BIS	Bank for International Settlements
BNY	The Bank of New York
CARIT	[United Nations] Convention on the Assignment of Receivables in International Trade
CASS	client assets
CCP	central counterparty
CESR	Committee of European Securities Regulators
CFR	Code of Federal Regulations (US)
CFTC	Commodity Futures Trading Commission (US)
CI	Clearstream Interest
CPSIPS	*Core Principles for Systemically Important Payment Systems*
CPSS	Committee on Payment and Settlement Systems
CRMPG	Counterparty Risk Management Policy Group
CSD	central securities depository
CUSIP	Committee on Uniform Securities Identification Procedures
DTC	Depository Trust Company
DTCC	Depository Trust & Clearing Corporation
DvP	delivery versus payment
EC	European Commission [previously: Commission of the European Communities]
ECB	European Central Bank
ECSDA	European Central Securities Depositories Association
EMEA	Europe, the Middle East, and Africa
EMIR	European Market Infrastructure Regulation
ESCB	European System of Central Banks
EU	European Union

FATCA	Foreign Account Tax Compliance Act (US)
FCA	Financial Conduct Authority (UK)
FCD	Financial Collateral Directive (EU)
FCIC	Financial Crisis Inquiry Commission (US)
FDIC	Federal Deposit Insurance Corporation (US)
FISA	Federal Intermediated Securities Act (Switzerland)
FMI	financial market infrastructure
FMLC	Financial Markets Law Committee (UK)
FOCP	fund of customer property (US)
FSA	Financial Services Authority (UK)
FSAP	Financial Sector Assessment Program
FSB	Financial Stability Board
FSCS	Financial Services Compensation Scheme (UK)
FSMA	Financial Services and Markets Act 2000 (UK)
GMRA	Global Master Repurchase Agreement
GMSLA	Global Master Securities Lending Agreement
GSC	Geneva Securities Convention
HCCH	Hague Conference on Private International Law
HM Treasury	Her Majesty's Treasury (UK)
HSC	Hague Securities Convention
IA collateral	independent amount collateral
ICMA	International Capital Market Association
IFI	International Financial Institution
IFSE	International Federation of Stock Exchanges
IMF	International Monetary Fund
IOSCO	International Organization of Securities Commissions
IPBA	International Prime Brokerage Agreement
ISDA	International Swaps and Derivatives Association [previously: International Swap Dealers Association]
ISIN	International Securities Identification Number
ISMA	International Securities Market Association
ISO	International Organization for Standardization
ISSA	International Securities Services Association
JPMC	JPMorgan Chase Bank NA
LBHI	Lehman Brothers Holdings Inc
LBI	Lehman Brothers Inc
LBIE	Lehman Brothers International (Europe)
LEI	Legal Entity Identifier

LGIL	[UNCITRAL] Legislative Guide on Insolvency Law
LGST	[UNCITRAL] Legislative Guide on Secured Transactions
LSOC	legal segregation with operational commingling
MEFISLA	Master Equity and Fixed Interest Stock Lending Agreement
MFA	Managed Funds Association
MGESLA	Master Gilt Edged Stock Lending Agreement
MiFID	Markets in Financial Instruments Directive (EU)
MNA	Model Netting Act
MTA	minimum transfer amount
MTM	mark-to-market or mark-to-model
NSCC	National Securities Clearing Corporation
OCC	Options Clearing Corporation
OECD	Organisation for Economic Co-operation and Development
OJ	Official Journal of the European Union
OLA	orderly liquidation authority
OSLA	Overseas Securities Lender's Agreement
OTC	over-the-counter
PAM	private asset management
PB	prime brokerage
PBA	prime brokerage account
PCON	[UNIDROIT] Principles on the Operation of Close-Out Netting Provisions
pCSDR	Proposed CSD Regulation (EU)
PFMI	*Principles for Financial Market Infrastructures*
PICC	[UNIDROIT] Principles of International Commercial Contracts
PIM	private investment management
PIRR	[LBI Trustee's] Preliminary Investigation Report and Recommendations
pMiFID II	Proposed MiFID II (EU)
PRA	Prudential Regulation Authority (UK)
PRIMA	place of the relevant intermediary approach
pRRD	Proposed Recovery and Resolution Directive (EU)
PSA	Public Securities Association
RCCP	*Recommendations for Central Counterparties*
RSSS	*Recommendations for Securities Settlement Systems*
SAR	special administration regime
SCS	securities clearing system
SEC	Securities and Exchange Commission (US)